State of South Dakota

EIGHTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2012

753T0647

SENATE BILL NO. 104

Introduced by: Senators Gray, Frerichs, Johnston, and Maher and Representatives Turbiville, Fargen, Jones, and Scott

1   FOR AN ACT ENTITLED, An Act to revise certain provisions concerning the investment of

2   public funds.

3   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4   Section 1. That § 4-5-6.2 be amended to read as follows:

5   4-5-6.2. In addition to the investments permitted by § 4-5-6, any public funds which are not

6   needed for current operating expenses may be invested in:

7   (1)   Direct obligations of any county, municipality, or school district in the state; and

8   (2)   Bonds issued by the South Dakota Housing Development Authority, the South

9   Dakota Health and Educational Facilities Authority, or the South Dakota Building

10   Authority.

11   The investments shall be registered in the name of the political subdivision or authority or

12   held under a custodial agreement at a bank. The investments shall be rated at the time of

13   purchase within the two highest general classifications established by a rating service of

14   nationally recognized expertise in rating bonds of states and their political subdivisions. Other

15   than permanent, trust, retirement, building, and depreciation reserve funds, such securities <u>as</u>

1   provided in subdivisions (1) and (2) shall mature with eighteen months from the date of

2   purchase or be redeemable at par at the option of the holder within eighteen months from the

3   date of purchase.

4   Moneys in any bond redemption fund may be invested only in the types of investments listed

5   in § 4-5-6. The investments shall be due and payable on or before the date when the bonds for

6   the payment of which the bond redemption fund was created become due and payable, except

7   bonds of the United States redeemable at par.

8   No restriction in this section limits the investment authority otherwise granted under the

9   laws of this state.